



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

MAY 04 2009

FEDERAL EXPRESS
GENERAL NOTICE LETTER
URGENT LEGAL MATTER - PROMPT REPLY NECESSARY

Mr. Victor Forte, Vice President
Norphlet Chemical, Inc.
600 Macmillian Drive
Norphlet, Arkansas 71759

Re: Norphlet Chemical Superfund Site, Site Id # A6N8
Union County, Norphlet, Arkansas

Dear Mr. Forte:

The purpose of this letter is to notify you of your potential liability at the Norphlet Chemical Superfund Site (Site), which is a "facility" as defined at 42 U.S.C. §9601(9). The Site is located at 600 Macmillan Drive, Norphlet, Union County, Arkansas.

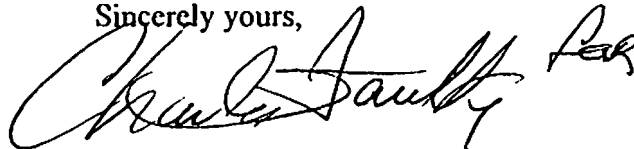
The U.S. Environmental Protection Agency (EPA) has determined that you are a Potentially Responsible Party (PRP) at the Site, because you are believed to be a party that owns or operates a facility, or has owned or operated a facility at the time of disposal of hazardous substances therein, where there has been a release or threatened release of hazardous substances, causing the incurrence of response costs by the United States Government or a State. Therefore, you may be responsible under the Comprehensive Environmental Response, Compensation and Liability Act, also known as "CERCLA" or "Superfund", 42 U.S.C. §9607(a), for the costs of response actions at the Site, as well as other costs described in that provision of law. Further you may be responsible for the conduct of response or abatement actions under CERCLA, in accordance with 42 U.S.C. §§ 9604, 9606. This General Notice letter provides an explanation of your responsibilities as a PRP at the Site. In this letter and its enclosure, the terms "you" or "your" or "Respondent" shall mean the addressee of this Notice.

A Superfund Site is a facility where there is a release or threatened release of hazardous substances or pollutants and contaminants into the environment requiring a response action, usually contaminated with hazardous substances at levels that may present a threat to human health or the environment. Under Sections 104, 106 (a), and 107 (a) of CERCLA, 42 U.S.C. §§ 9604, 9606 (a) and 9607 (a), PRPs may be required to perform response actions to protect the public health and welfare or the environment. PRPs may also be responsible for costs incurred by EPA in responding to and cleaning up the Site. PRPs include current and former owners and operators of the Site, as well as persons who sent or transported hazardous substances to the Site, or who arranged for the disposal or treatment of hazardous substances at the Site. Under Section 104(a) (1) of CERCLA, 42 U.S.C. §9604, EPA may allow the potentially responsible parties to carry out the removal action, under the oversight of EPA, if the action can be done properly and promptly.

On behalf of EPA, I offer you the opportunity to enter into negotiations concerning the Site cleanup and response costs. I have enclosed a Notice that explains your responsibility in more detail. As you will see, the notice requests your cooperation in conducting the removal action.

Upon reviewing the enclosed notice, please provide an oral response to Ms. Jamie Bradsher, Enforcement Officer, at (214) 665-7111 within 3 days and let her know whether you will negotiate. You are also encouraged to provide a written response to this letter. If you have questions regarding this notice please contact Ms. Bradsher at the number above. Questions concerning legal matters should be directed to EPA attorney, Mr. James Turner, at (214)-665-3159.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Samuel Coleman", followed by a small "Per" in the upper right corner of the signature area.

Samuel Coleman, P.E.
Director
Superfund Division

Enclosures (3)

NORPHLET CHEMICAL SUPERFUND SITE

Enclosure A

GENERAL NOTICE REMOVAL ACTION

This Notice is from the U.S. Environmental Protection Agency (EPA). This Notice is directed to the PRP of the Norphlet Chemical Superfund Site. This Notice does three things:

First, this Notice tells you that you may be responsible for the presence of hazardous substances found at the Site. The EPA is requesting that you perform a Superfund removal action to abate the release or threat of release of contaminants at the Site. When we say "Site" or "property" in this Notice, we mean the Norphlet Chemical Superfund Site, which is located at, 600 Macmillan Drive, Norphlet, Union County, Arkansas.

1. This Notice is issued under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or Superfund).
2. Second, this Notice provides background information leading up to the EPA's investigation of the Site and the EPA's activities to determine the source of the contamination.
3. Third, this Notice invites you to enter into negotiations to conduct a removal action/cleanup at the Site.

NOTICE THAT YOU MAY BE LIABLE

Under Section 107 (a) of CERCLA, 42 U.S.C. §9607 (a), responsible parties are those who are current owners or operators of a facility, past owners or operators who owned or operated a facility at the time hazardous substances were disposed of at the facility, persons who arranged for disposal or treatment at the facility (usually the person(s) who generated the hazardous substance), or persons who selected that facility and transported the hazardous substances to the facility. The EPA believes that you are both a current, and a past owner or operator PRP, based on the information in Enclosure B. Also, in Section 107 (a) of CERCLA, 42 U.S.C. §9607 (a), the law provides that responsible parties are liable to the United States for the costs it has incurred or will incur conducting a response action. A PRP is therefore responsible for reimbursing the Federal government for both past and future costs of the response activities.

BACKGROUND

Norphlet Chemical Superfund Site (Site) is located outside of El Dorado, Arkansas at the location of the former Macmillan Oil Refinery (a previous Non-NPL Removal Action). The Site is a chemical manufacturing facility in the business of producing a refrigerant (HFC-134A) that is used in automobiles. The primary raw materials used for producing this product are Anhydrous Hydrogen Fluoride (AHF), Trichloroethylene (TCE), and a catalyst. The company that is believed to own and operate this Site, Norphlet Chemical Inc. (NCI), apparently attempted to produce the intended product for Tulstar Products, Inc. (TPI), a/k/a Tulstar Refrigerants LLC and Tulstar Refrigerants, Inc., based upon a tolling agreement contract between TPI and NCI, but was unsuccessful.

The EPA became aware of this facility in March 2009 and immediately informed the Arkansas Department of Environmental Quality (ADEQ). The EPA offered its assistance if deemed necessary by the ADEQ. On April 15, 2009, the U.S. Department of Homeland Security (DHS) conducted an Infrastructure Protection Inspection of the facility and was alarmed with its conditions and the fact that it was abandoned. On April 15, 2009, DHS contacted EPA about their concerns with the site. The major concern was that the abandoned Site had containers of AHF and mixtures of AHF, TCE, and intermediate refrigerants. In addition, the conditions of these containers were questionable. The EPA and DHS contacted various State authorities and then participated in a call concerning the Site. On April 16, 2009, EPA received a written request from ADEQ to address the situation at the Site.

The EPA dispatched its START Contractors to begin air monitoring. The EPA arrived on the Site on April 17, 2009, and met with Federal, State, County, and City officials and evaluated the Site. The EPA determined that an Imminent and Substantial Endangerment existed as a result of the abandonment of the facility, the conditions of the tanks, and the close proximity of the school and surrounding residents to the facility. On April 16, 2009, Union County Judge Bobby Edmonds declared an emergency. Because of the emergency order and the close proximity of the site to the school, the school was closed on Friday, April 17, 2009.

On April 19, 2009, EPA attempted to transfer material from the tanks in to tanker trucks. In order to accomplish this, piping was removed from the tanks to allow the connection of a pump and hoses. The transfer operation failed due to pump problems, however; there were no injuries or significant releases of material.

The EPA is in the process of obtaining bids for transportation and disposal. It was determined that high pressure intermodal containers was necessary for storage and transport of the AHF Mixture tanks (TT10 and 11) due to the organics within the tanks. Additionally, EPA is in the process of obtaining a pump with viton diaphragm and gaskets to handle the materials. The EPA is continuing real time air monitoring, sampling activities. Also EPA is awaiting the arrival of rail cars to transfer AHF and waiting to find out if the company Univar will accept the materials of TCE.

NEGOTIATIONS

The EPA invites you to enter into negotiations towards a settlement. In addition to avoiding the costs of litigation, settling with the EPA provides you with another advantage. Under the Superfund law, settling with the EPA helps protect you should another responsible party sue you for costs which that party pays to the EPA. [Note: This protection against contribution claims, however, may not extend to claims by third parties that have incurred their own response costs and seek to recover them under Section 107(a)(4)(B). See United States v. Atlantic Research Corporation, 172 S.Ct. 2331, 169 L.Ed. 2d 28 (June 11, 2007) (in certain situations, a liable party who has incurred cleanup costs at a site can sue other liable parties under CERCLA Section 107(a)(4)(B)).] Also, if you choose not to settle with the EPA and you are found to be a responsible party, the EPA may take civil administrative action and, ultimately, the EPA may request civil judicial action. A list of responsible parties is included in Enclosure C.

If you agree to negotiations, EPA will meet with you to discuss the Site cleanup and resolution of your liability by entering into an Administrative Settlement Agreement and Order on Consent (AOC) under Sections 104, 106, 107, and 122 of CERCLA, 42 U.S.C. §§ 9604, 9606, 9607 and 9622. The EPA expects to conclude AOC negotiations within 21 calendar days of your receipt of this letter.

OPPORTUNITY TO MEET

The EPA will provide you an opportunity to meet with EPA representatives to discuss your performance of a removal action to clean up the site. If you wish to participate in such a meeting, you must inform Ms. Jamie Bradsher in writing within the time frame stated below.

FINANCIAL CONCERNS/ABILITY TO PAY SETTLEMENTS

The EPA is aware that the financial ability of some PRPs to contribute toward the payment of response costs at a site may be substantially limited. If you believe, and can document, that you fall within that category, please contact Ms. Jamie Bradsher at the contact phone number listed below for information on "Ability to Pay Settlements." In response, you will receive a package of information about the potential for such settlements and a form to fill out with information about your finances, and you will be asked to submit financial records including business and personal federal income tax returns. If EPA concludes that you have a legitimate inability to pay the full amount of EPA's costs, EPA may offer a schedule for payment over time or a reduction in the total amount demanded from you.

Also, please note that, because EPA has a potential claim against you, you must include EPA as a creditor if you file for bankruptcy.

RESOURCES AND INFORMATION FOR SMALL BUSINESSES

As you may be aware, on January 11, 2002, President Bush signed into law the Superfund Small Business Liability Relief and Brownfields Revitalization Act. This Act contains several exemptions and defenses to CERCLA liability, which we suggest that all parties evaluate. You may obtain a copy of the law via the Internet at <http://www.epa.gov/swerosps/bf/sblbra.htm> and review EPA guidance regarding these exemptions at <http://www.epa.gov/compliance/resources/policies/cleanup/superfund>.

The EPA has created a number of helpful resources for small businesses. The EPA has established the National Compliance Assistance Clearinghouse as well as Compliance Assistance Centers which offer various forms of resources to small businesses. You may inquire about these resources at <http://www.epa.gov>. In addition, the EPA Small Business Ombudsman may be contacted at <http://www.epa.gov/sbo>. Finally, EPA developed a fact sheet about the Small Business Regulatory Enforcement Fairness Act ("SBREFA"), which is enclosed with this letter.

YOUR RESPONSE TO EPA

In addition to the three (3) day oral notification as mentioned in the Notice Letter, please notify Ms. Bradsher in writing at the address indicated below, *within three (3) calendar days of the date of receipt of this letter* to indicate your willingness to negotiate a PRP-lead removal clean up. **If the EPA does not receive your response within three (3) calendar days, the EPA will assume that you do not wish to negotiate, and the EPA will then take whatever actions are necessary to abate the threat to human health and the environment posed by chemicals on the property. EPA may then take appropriate action to recover response costs from you.**

Your response to this letter and questions regarding the matters in this letter should be directed to:

Ms. Jamie Bradsher
Enforcement Officer (6SF-TE)
United States Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, TX 75202
Telephone: (214)665-7111
Fax: 214-665-6660

If you or your attorney have legal questions pertaining to this matter, please direct them to:

Mr. James Turner
Senior Attorney (6RC-S)
United States Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, TX 75202
Telephone: 214-665-3159
Fax: 214-665-6460

The discussions of fact or law in this Notice are meant to help you understand CERCLA and the EPA's actions at the Site. The discussions of fact and law are not final positions on any matter discussed in this Notice.

NORPHLET CHEMICAL SUPERFUND SITE
Enclosure B

PRELIMINARY EVIDENCE

Teresa Marks, ADEQ letter to Samuel Coleman, EPA, dated April 16, 2009.

A copy of a tolling agreement contract between Norphlet Chemical, Inc. (NCI) and Tulstar Products, Inc. (TPI) a/k/a Tulstar Refrigerants LLC, with attached Collateral Assignment of Contract involving the Arkansas Economic Development Commission (AEDC) dated on or about December 13, 2005, and December 5, 2005, respectively.

Corporate information on TPI and related firms obtained from offices of the Nevada Secretary of State and the Oklahoma Secretary of State

Corporate information on NCI obtained from the Arkansas Secretary of State and other sources.

On information and belief, analytical data on certain tanks and other documents concerning hazardous substances in the possession of NCI at the Site and the observations of, and as well as information obtained from on-Site personnel by, EPA OSC Gary Moore and OSC Nancy Jones.

A chart on raw material and intermediates purported to be held on Site as of 9/25/08.

A map and legal description of the Site.

The EPA Pollution Report (POLREP) in connection with the Site.

A forwarded email dated Sept. 29, 2008, from an employee of Jones-Hamilton concerning corporate responsibility and proposed for specialty chemical raw materials located on the Site.

Memorandum from David Choate, Esq. to Messrs. David Nevala and Brian Scoggins, AEDC, dated February 3, 2009.

Memorandum from Robert f. Dougherty, Esq., to Ms. Elena Forsyth, Tulstar Refrigerants, Inc., dated February 27, 2009.



April 16, 2009

Mr. Samuel Coleman, Director
Superfund Division (6SF)
U.S. Environmental Protection Agency, Region 6
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

Re: Norphlet Chemical, Inc.
600 MacMillan Road
Norphlet, AR 71759
AFIN: 70-00694
EPAID: ARD008049207

Dear Mr. Coleman:

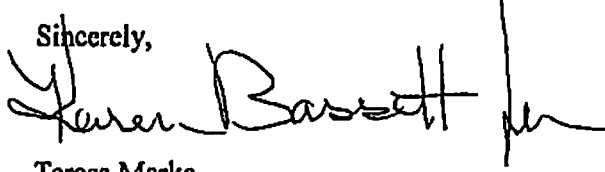
The Arkansas Department of Environmental Quality (ADEQ) is concerned about conditions at the Norphlet Chemical facility and requests that materials be removed from the property.

During the past week, the Department of Homeland Security conducted an inspection at this facility to ascertain the security of hazardous materials and other chemical feedstocks stored at Norphlet Chemical. During the course of the inspection, a storage tank containing approximately 7,800 gallons of hydrofluoric acid was discovered to be in dilapidated condition, posing an imminent threat of release to the environment. This tank poses not only a hazard to the employees at the plant, but also to an adjacent elementary school and the surrounding community. A conference call was held between Homeland Security headquarters, EPA Region 6 Superfund Division staff, and ADEQ staff on the morning of April 16, 2009, and it was determined that the best course of action to address the threat of imminent release was to carry out a removal of the tank's contents.

ADEQ requests that U.S. EPA Region 6 respond to the site to abate the releases and threatened releases to protect public health and the environment, including but not limited to shipment of the material off-site for disposal and removal of material from the process systems. Under provisions of the Ark. Code, Ann., § 8-7-508(b), ADEQ staff and their representatives (including EPA personnel and their contractors) may enter upon any public or private property for the purpose of collecting information under the provisions of the Arkansas Remedial Action Trust Fund Act, and for initiating and carrying out any remedial actions pursuant to the Act.

If you have any questions or require additional information, please contact me at (501) 682-0959.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Bassett", followed by a vertical line.

Teresa Marks
Director

cc: Karen Bassett, Chief Deputy Director
Ryan Benefield, Deputy Director
Penny Wilson, Inspector Supervisor, E&IB, HWD
Mary Pearson, Inspector Supervisor, E&IB, HWD
Steve Mason, (6SFPR), U.S. EPA Region 6

Norphlet Chemical Inc.
Ownership Analysis

Owners	Shares	Per Cent
John Garrison	178.73	16.888%
Jeff Garrison	178.73	16.888%
Spector Tr Alyssa Spector	60.00	5.733%
Spector Tr Jesse Spector	60.00	5.733%
Spector Tr Katherine Knopf	5.00	0.478%
Spector Tr James Knopf	5.00	0.478%
Spector Tr Elizabeth Knopf	5.00	0.478%
Billy Spector	60.00	5.733%
Nelson Abell	90.00	8.600%
Graham Abell	45.00	4.300%
Claire Abell	45.00	4.300%
Fred Bates	50.00	4.778%
Vicki McDonald	50.00	4.778%
John Peterson	40.00	3.822%
Scott Reed	30.00	2.867%
W L Cook Rev. Trust	15.70	1.500%
Carl H. Miller	15.70	1.500%
Harold Peterson	15.70	1.500%
Michael Murphy	10.47	1.000%
Robert Watson Jr	10.00	0.956%
Ronnie Morris	10.00	0.956%
David Henry	10.47	1.000%
Victor Forte	10.00	0.956%
Yvonne Henry	10.00	0.956%
Mark Jones	10.00	0.956%
Charles L. Long	7.50	0.717%
Kenneth F. Long	7.50	0.717%
David B. Long, Sr.	7.50	0.717%
Pat W. Long	7.50	0.717%
Totals	1,046.50	100.00%

Board Members 1/17/08

John Garrison
Jeff Garrison
Billy Spector
Jesse Sector

W.L. Cook
Scott Reed
Charles L. Long
Don Dodson

Fred Bates
Bob James
Jim Crotty

Board Members 1/18/08

John Garrison
Evert Talbot
Billy Spector
Jesse Sector

W.L. Cook
Scott Reed
Charles L. Long
Don Dodson

Fred Bates
Bob James
Jim Crotty

APRIL

Executive Committee

Bob James
Evert Talbot
Billy Spector
Jesse Sector

W.L. Cook
Scott Reed
Charles L. Long
Jim Crotty

David Henry
Brian Brooks

Raw Material and Intermediates Still on Site at Norphlet Chemical
As of 9/25/08

Tank	Product	Gallons	Comment
TT-01	AHF	7805	This is anhydrous Hydrofluoric Acid. Should be sellable. It needs to be analyze.
TK-44	TCE	~4000	This is Trichloroethylene. It does have some rust in it that we should be able to filter out. It may have some moisture in it also. It needs to be analyze.
TT-10	HF,TCE,131,133&133	11600	This product was made in the process of trying to make 133a It is what you make 134a out of. It is ~ 50% HF
TT-11	HF,TCE,131,132,&133	11140	Same as TT-10 product but only has ~4% HF in it.
TT-30&31	HCL/HF/H2o	24971	This product was also made during start up. It is 8.7% HCL and 1.3% HF with the rest being H2o
TT-38&39	HCL/HF/H2o	27764	Same as 30 & 31 but has 12.35%HCL and 3.0% HF
TT-40&41	HCL/HF/H2o	27764	Same as above With 9.64%HCL and 1.08% HF TT-30,31,38,39,40&41 can possible be blended with 35% HCL to make 15% HCL that is commonly done.
TT-13	Sodium Fluoride	~2000	This a mixture of 4500# Sodium Fluoride and 2000 gals. of HF
St-10,11&12	12 8%caustic/H2o	~1500	These are three different scrubber tanks that we use to scrub with. These go out as waste.
ST-13	HCL/ water ~10% HCL	500	This is the scrubber we use to scrub the HCL vapors with while loading or un loading a HCL car or truck.
Hot Oil System	Thermal 72	~1800	This is the oil we used in the Hot Oil system that was use for a heating element through out the plant.

AGREEMENT

This Agreement is made and entered into by and between Norphlet Chemical, Inc. (hereinafter "Norphlet"), and Tulstar Refrigerants, L.L.C. (hereinafter "Tulstar"), and sets forth the terms and conditions of their agreement as to the supply of raw materials, exclusive output of HFC-134a of a minimum stated amount, and right of first refusal thereafter.

WHEREAS, Norphlet is in the business of producing HFC-134a; and

WHEREAS, Tulstar has need for all quantities of HFC-134a that Norphlet can manufacture;

NOW, THEREFORE, for and in consideration of the sums herein expressed and the mutual promises herein contained, be it agreed as follows:

1. **SCOPE OF AGREEMENT:**

A. **Exclusive Output:** Tulstar agrees to purchase all HFC-134a Norphlet can manufacture and produce up to a minimum of 15 million pounds of HFC-134a per Output Term. The phrase "Output Term" as used herein shall mean the period commencing on the date Norphlet first produces HFC-134a that conforms to standards stated herein and continuing for a twelve (12) month period thereafter, subject to automatic annual renewal as provided herein. Tulstar agrees to pay Norphlet a tolling fee of \$0.51/lb for production of first 15 million pounds of HFC-134a and \$0.50/lb for all production of HFC-134a thereafter, subject to and conditioned upon (i) Tulstar's obtaining, in Tulstar's sole discretion and judgment, satisfactory pricing for raw materials; (ii) Norphlet producing said volume of HFC-134a within all applicable legal considerations, such as patents, licenses, environmental regulations, and at a quality that conforms with U.S. Commercial

Standards and meets the most current ARI 700 specifications; and (iii) based on all by-products of production (i.e., HCL) being delivered to a proper destination. Provided market conditions and capacity allow, the Parties intend to have Norphlet toll manufacture an estimated 20-50 million pounds of HFC-134a for Tulstar on an annual basis.

B. Raw Materials: Tulstar will supply Norphlet with raw materials (HF and TCE) required for the manufacture of HFC-134a that is tolled for Tulstar, provided (i) Norphlet agrees to indemnify and hold Tulstar harmless as set forth herein for any loss or harm related to such raw materials after Norphlet or its agent(s) take possession of such raw materials; (ii) Norphlet agrees to pay to Tulstar all costs and expenses related to such raw materials if Norphlet fails to manufacture HFC-134a in sufficient marketable quantity or quality as set forth herein; and (iii) Norphlet agrees to pay Tulstar an agreed amount for raw materials used to manufacture HFC-134a that is either sold to a third party or not purchased by Tulstar consistent with the terms of this Agreement.

C. Right of First Refusal: The Parties agree that Tulstar shall be given the option to purchase all or any portion of HFC-134a manufactured in excess of 15 million pounds of HFC-134a during the Output Term at the price set forth herein. Tulstar shall give notice to Norphlet within 30 days of its intent to purchase all or any portion of such HFC-134a produced by Norphlet in excess of 15 million pounds after receiving notice from Norphlet of such excess production. In the event Tulstar does not purchase all the HFC-134a produced by Norphlet, then Norphlet shall be free to sell such excess production not purchased by Tulstar to Honeywell or LSB Industries at such prices as Norphlet may negotiate with Honeywell or LSB Industries.

2. ADDITIONAL STANDARDS:

Regarding the manufacturing process by Norphlet, it is agreed that Norphlet should produce one pound of HFC-134a and the by-product HCL with 1.720 pounds of TCE and 0.0832 pounds of HF. This is based on 95% of theoretical. In the event Norphlet does not achieve the optimum ration above expressed 95%, adjustments in the price of raw materials shall be negotiated by these parties.

3. TERM AND TERMINATION:

This Agreement shall be for a term of one (1) year and shall automatically renew for successive one year terms. This Agreement and any renewal thereof may be terminated by either Party by written notice of that Party's intent not to renew this Agreement submitted to the other Party at least 30 days prior to the renewal date.

4. INSURANCE AND INDEMNITY:

Norphlet agrees to procure and maintain general liability insurance, umbrella policy, and workers' compensation insurance in coverage amounts of 10 Million Dollars, and name Tulstar as additional insured on all policies during the term of this Agreement and any Output Term; Norphlet agrees to supply Tulstar with a current certificate of insurance to verify compliance with this subsection. Norphlet hereby agrees to indemnify, defend and hold harmless Tulstar, its parent, subsidiaries, and related companies, its licensees, affiliates, and their respective officers, directors, agents, and employees from any and all third party claims, actions or proceedings of any kind and from any and all damages, liabilities, costs and expenses (including reasonable legal fees and costs) relating to or arising out of any breach of any of the warranties, representations or agreements hereunder or otherwise in connection with the manufacture, production,

storage, distribution, or otherwise related in any way to the HFC-134a or the raw materials thereto, except for gross negligence by Tulsitor.

5. **CONFIDENTIALITY:**

The Parties shall hold in confidence the terms of this Agreement and any negotiations relating thereto. Neither Party shall disclose, without the other Party's prior consent to any third party (other than its respective employees, directors, officers, attorneys and agents engaged in this transaction, in their capacity as such, on a need-to-know basis), any information with respect to the terms and provisions of this Agreement except: (a) to the extent necessary to comply with law or the valid order of a court of confident jurisdiction, in which event the party making such disclosure shall so notify the other Party as promptly as practicable (if possible, prior to making such disclosure) and shall seek confidential treatment of such information; (b) as part of its normal reporting or review procedure to its parent company, banks, auditors, investment bankers, underwriters and/or attorneys (collectively, "Reporting Parties"), provided that such Reporting Parties agree to be bound by the provisions of this paragraph; (c) in order to enforce to its rights pursuant to this Agreement; and (d) when such information is otherwise publicly available.

6. **REMEDIES:**

No action or omission by either Party shall constitute a breach of this Agreement unless the other Party first gives notice in writing by setting forth the alleged breach or default, and the Party receiving such notice does not cure the same within a reasonable period of time. The Parties agree that if the obligations hereunder are breached, the

damage, if any, caused to the other Party may be irreparable and sufficient to entitle the non-breaching Party to injunctive or other equitable relief. All remedies afforded herein or otherwise available to either Party hereto shall be cumulative, and no one such remedy shall be exclusive of, or shall be considered a waiver of, any other.

7. MISCELLANEOUS:

A. Power and Authority: Norphlet hereby represents, warrants and covenants that it is a corporation duly formed and validly existing in good standing under the laws of the State of Arkansas and has the requisite power and authority to enter into this Agreement and to perform its obligations hereunder. Norphlet represents and warrants that the individual executing this Agreement on behalf of Norphlet has the authority and power to bind Norphlet hereunder.

B. Notices and Amendments: All notices shall be in writing and shall be transmitted by a Party to the other by mail, facsimile, express mail, or personal delivery. No amendment or modification of this Agreement shall be valid unless such amendment or modification is in writing and signed by an authorized representative of both Parties.

C. Entire Agreement and Severability. This Agreement represents the entire understanding and agreement between the Parties, and supersedes all previous statements, representations, writings, or other agreements between the Parties as to the subject matter contained herein. In the event that any provision in this Agreement is deemed to be void or otherwise unenforceable, such provision shall be disregarded and the remainder of this Agreement will remain in full force and effect in all other respects as if the unenforceable provision had not been a part of this Agreement. This Agreement is not intended to

create a joint venture or partnership or similar relationship, and both Parties expressly deny any such relationship.

D. Governing Law. The substantive laws (as distinguished from the choice of law rules) of the State of Arkansas applicable to contracts shall govern the construction and interpretation of this Agreement, the performance by the Parties of the respective obligations hereunder, and all other causes of action (whether sounding in contract or in tort) arising out of or relating to this Agreement or the termination of this Agreement.

WITNESS our hands this 13th day of December, 2005.

Norphlet Chemical, Inc.

By: [Signature]

Title: _____

Tulstar Refrigerants, L.L.C.

By: [Signature]

Title: President

COLLATERAL ASSIGNMENT OF CONTRACT

THIS COLLATERAL ASSIGNMENT OF CONTRACT is executed by Morphlet Chemical, Inc., an Arkansas corporation, P.O. Box 100, Morphlet, AR 71759 ("Assignor") for the benefit of the Arkansas Department of Economic Development, One Capitol Mall, Little Rock, AR 72201 ("Assignee") this 5th day of December, 2005.

WITNESSETH:

WHEREAS, Assignee has extended or arranged certain financing transactions for, or on behalf of, Assignor; and

WHEREAS, Assignor is indebted to Assignee under the following described documents and instruments, to wit:

(a) Reimbursement Agreement to be dated the date of issuance of the hereinafter identified bonds, between Assignor and Assignee, whereby Assignor will be obligated to reimburse Assignee for all payments made by it of the principal of and interest on the City of Morphlet, Arkansas Industrial Development Revenue Bonds (Morphlet Chemical, Inc. Project), Series 2006, in the aggregate principal amount of \$2,485,000, under the Guaranty of Payment of Industrial Development revenue Bonds to be issued by Assignee.

(b) Promissory Note of even date herewith in the principal sum of One Million Five Hundred Thousand and no/100s dollars (\$1,500,000.00) bearing interest at the rate of Five Percent (5%) per annum, made and executed by Assignor for the benefit of the City of Morphlet, Arkansas and Assignee.

All of the foregoing being hereinafter defined as the "Obligations"; and

WHEREAS, Assignor has entered into a ^{an Agreement with} ~~Take-or-Pay~~ contract with ^{Tulstar Refrigerants, LLC} ~~Tulstar Products, Inc.~~ ("Tulstar") dated November 28, 2005, wherein Tulstar has agreed, *inter alia*, to take or pay for Fifteen Million (15,000,000) pounds of HFC-134a ("Contract"); and

WHEREAS, in order to secure Assignor's payment and performance of the Obligations, Assignor has agreed to transfer, pledge and assign the Contract, and all of its rights thereunder, to Assignee.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby transfers, pledges and assigns the Contract to Assignee, and its successors and assigns, together with all rights, powers, interests, privileges and remedies of the Assignor set forth therein.

Assignor warrants and represents to Assignee and its successors and assigns, that:

Dec 13 2005 10:02AM MORPHLET CHEMICAL INC

8705463589

P. 2

1. The terms of the Contract are fully set out and disclosed in the copy delivered to Assignor and the Contract is fully assignable.
2. Assignor will notify Assignee of any requested amendment, alteration or revocation of the Contract.
3. Assignor has not executed any prior assignment, pledge or hypothecation of its rights under the Contract, and holds full and complete power and authority to transfer, pledge and assign its rights thereunder. Assignor hereby covenants and agrees that, after an event of default as defined in any security document or instrument evidencing or securing the Obligations ("Security Instrument"), it shall do or cause to be done all acts and things necessary or proper to effect performance and recovery under the Contract.
4. This Assignment is executed as security for the payment of all sums due and owing under the Obligations. Provided that no event of default has occurred under any Security Instrument, Assignor shall have the right to receive all benefits arising out of the Contract.
5. If through the exercise of its rights hereunder Assignee succeeds to Assignor's rights under the Contract, Assignee agrees to perform Assignor's obligations under the Contract to the fullest extent permitted by law.
6. Without limiting the foregoing, Assignor covenants and agrees to execute such further additional instruments, documents and assignments as may be requested by Assignee to vest in Assignee all rights of Assignor under the Contract.
7. Tulstar has executed the Assignment for the sole purpose of acknowledging its consent to the assignment of the Contract.

Witness our hands the day and year first written above.

Norphlet Chemical, Inc.

By: 
John L. Garrison, CEO

Approved:
Tulstar Refrigerants, LLC.
Tulstar Products, Inc.

By: 
Mark Nagle, President

TULSTAR REFRIGERANTS, INC.

Business Entity Information			
Status:	Dissolved	File Date:	2/14/2006 11:50:35 AM
Type:	Domestic Corporation	Corp Number:	E0105012006-7
Qualifying State:	NV	List of Officers Due:	2/28/2009
Managed By:		Expiration Date:	

Registered Agent Information			
Name:	CSC SERVICES OF NEVADA, INC.	Address 1:	502 EAST JOHN STREET
Address 2:		City:	CARSON CITY
State:	NV	Zip Code:	89706
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	NV
Mailing Zip Code:			
Agent Type:	Commercial Registered Agent - Corporation		
Jurisdiction:	NEVADA	Status:	Active

Financial Information			
No Par Share Count:	0	Capital Amount:	\$ 100.00
Par Share Count:	100.00	Par Share Value:	\$ 1.00

Officers				<input type="checkbox"/> Include Inactive Officers
Director - PHILIP L BATES				
Address 1:	5510 SOUTH LEWIS AVENUE	Address 2:		
City:	TULSA	State:	OK	
Zip Code:	74105	Country:		
Status:	Active	Email:		
Secretary - DIANA L NAGLE				
Address 1:	5510 SOUTH LEWIS AVENUE	Address 2:		
City:	TULSA	State:	OK	
Zip Code:	74105	Country:		
Status:	Active	Email:		
Treasurer - DIANA L NAGLE				
Address 1:	5510 SOUTH LEWIS AVENUE	Address 2:		
City:	TULSA	State:	OK	
Zip Code:	74105	Country:		
Status:	Active	Email:		
President - WALTER M NAGLE				
Address 1:	5510 SOUTH LEWIS AVENUE	Address 2:		
City:	TULSA	State:	OK	
Zip Code:	74105	Country:		
Status:	Active	Email:		

Actions/Amendments			
Action Type:	Articles of Incorporation		
Document Number:	20060090431-45	# of Pages:	5
File Date:	02/14/2006	Effective Date:	

EXP, 2CC, RA BOX, DAS 02-15-06			
Initial Stock Value: Par Value Shares: 100 Value: \$ 1.00 No Par Value Shares: 0 ----- ----- Total Authorized Capital: \$ 100.00			
Action Type:		Initial List	
Document Number:		20060453332-48	# of Pages: 1
File Date:		07/18/2006	Effective Date:
(No notes for this action)			
Action Type:		Annual List	
Document Number:		20070138608-15	# of Pages: 1
File Date:		02/26/2007	Effective Date:
07-08			
Action Type:		Annual List	
Document Number:		20080137886-73	# of Pages: 1
File Date:		02/28/2008	Effective Date:
(No notes for this action)			
Action Type:		Dissolution	
Document Number:		20080851652-97	# of Pages: 1
File Date:		12/30/2008	Effective Date: 12/29/2008
(No notes for this action)			

TULSTAR PRODUCTS, INC.

Business Entity Information			
Status:	Default	File Date:	12/26/2003
Type:	Domestic Corporation	Corp Number:	C32381-2003
Qualifying State:	NV	List of Officers Due:	12/31/2008
Managed By:		Expiration Date:	

Registered Agent Information			
Name:	LAUGHLIN ASSOCIATES, INC.	Address 1:	2533 N CARSON STREET
Address 2:		City:	CARSON CITY
State:	NV	Zip Code:	89706
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	NV
Mailing Zip Code:			
Agent Type:	Commercial Registered Agent - Corporation		
Jurisdiction:	NEVADA	Status:	Active

Financial Information			
No Par Share Count:	0	Capital Amount:	\$ 500.00
Par Share Count:	500.00	Par Share Value:	\$ 1.00

Officers				<input type="checkbox"/> Include Inactive Officers
Director - PHILLIP L BATES				
Address 1:	5510 SOUTH LEWIS AVE	Address 2:		
City:	TULSA	State:	OK	
Zip Code:	74105	Country:	USA	
Status:	Active	Email:		
Secretary - DIANA L NAGLE				
Address 1:	5510 S LEWIS AVE	Address 2:		
City:	TULSA	State:	OK	
Zip Code:	74105	Country:		
Status:	Active	Email:		
Treasurer - DIANA L NAGLE				
Address 1:	5510 S LEWIS AVE	Address 2:		
City:	TULSA	State:	OK	
Zip Code:	74105	Country:		
Status:	Active	Email:		
President - W MARK NAGLE				
Address 1:	5510 S LEWIS AVE	Address 2:		
City:	TULSA	State:	OK	
Zip Code:	74105	Country:		
Status:	Active	Email:		

Actions\Amendments			
Action Type:	Articles of Incorporation		
Document Number:	C32381-2003-001	# of Pages:	4
File Date:	12/26/2003	Effective Date:	
(No notes for this action)			

Action Type:	Amendment		
Document Number:	C32381-2003-003	# of Pages:	2
File Date:	12/26/2003	Effective Date:	
ARTICLES OF CONVERSION FILED CONVERTING TULSTAR PRODUCTS, INC., A (OK)			
CORPORATION (THE CONSTITUENT ENTITY), NOT QUALIFIED IN NEVADA, INTO THIS			
CORPORATION (THE RESULTING ENTITY). (2) PGS. DEG			
Action Type:	Initial List		
Document Number:	C32381-2003-002	# of Pages:	2
File Date:	02/06/2004	Effective Date:	
List of Officers for 2003 to 2004			
Action Type:	Annual List		
Document Number:	20050044434-86	# of Pages:	1
File Date:	02/11/2005	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20050577702-25	# of Pages:	1
File Date:	11/28/2005	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20070300530-30	# of Pages:	1
File Date:	04/30/2007	Effective Date:	
(No notes for this action)			
Action Type:	Registered Agent Change		
Document Number:	20070346625-35	# of Pages:	1
File Date:	05/17/2007	Effective Date:	
(No notes for this action)			
Action Type:	Correction		
Document Number:	20080211833-28	# of Pages:	1
File Date:	03/26/2008	Effective Date:	
Previous Stock Value: Par Value Shares: 50,000 Value: \$ 1.00 No Par Value Shares: 0 -----			
----- Total Authorized Capital: \$ 50,000.00 New Stock Value: Par Value Shares: 500 Value: \$ 1.00 No			
Par Value Shares: 0 ----- Total Authorized Capital: \$ 500.00			
Action Type:	Annual List		
Document Number:	20080335353-32	# of Pages:	1
File Date:	05/16/2008	Effective Date:	
(No notes for this action)			

Text + | Text -

BUSINESS AND COMMERCIAL (UCC) SERVICES**Search Incorporations, Cooperatives, Banks and Insurance Companies**Printer Friendly VersionFor service of process contact the Secretary of State's office.

Corporation Name	NORPHLET CHEMICAL, INC.
Fictitious Names	N/A
Filing #	800064717
Filing Type	For Profit Corporation
Filed under Act	Dom Bus Corp; 958 of 1987
Status	Good Standing
Principal Address	
Reg. Agent	JOHN L. GARRISON
Agent Address	600 MACMILLIAN NORPHLET, AR 71759
Date Filed	08/09/2005
Officers	JOHN L. GARRISON , Incorporator/Organ DAVID HENRY , Controller DAVID HENRY , Tax Preparer DAVID HENRY , Secretary VICTOR FURTE , Vice-President
Foreign Name	N/A
Foreign Address	
State of Origin	N/A
<u>Purchase a Certificate of Good Standing for this Entity</u>	<u>Pay Franchise Tax for this corporation</u>

LLC Member information is now confidential per Act 865 of 2007

Use your browser's back button to return to the Search Results

Begin New Search

$$\begin{aligned} \text{Est Sp Gr} &= .3(1.30) + .5(1.35) \\ &\quad + .2(1.44) \\ &= 1.353 \end{aligned}$$

$$\begin{aligned} \therefore 16/\text{gal} &= 1.353 \times 8.34 \\ &= 11.284 \end{aligned}$$

$$\text{Amt} = 11,600 \text{ gal}$$

$$\begin{aligned} \text{Est lbs} &= 11,600 \times 11.284 \\ &= 130,895 \text{ lbs} \end{aligned}$$

L9 98

5.9

ANALYSIS TICKET

IN - PROCESS

Date 9/11/08 Time 22:00

Product R-133a Technician RDS

Batch #: _____ Equipment # Bottle B

Sample Location TT-10 Sample Type _____

Analysis Needed: Ratio 5.9 HF 49.98%

Liquid		Gas	
R-134a	0.0085	R-1123	0
R-133a	29.0611	unk Lights	0.0309
unk Lights	4.4444	R-115	0
R-132b	48.5015	R-125/1113	0
MeCl ₂	0.0071	R-143g	0.0877
CCl ₄	0.0197	R-134g	0.3849
R-131g	10.0643	R-134	0
TCE	2.4886	R-31	
112-TRI	1.3123	R-152g	
PercH	0.0943	R-114	
unk Hvy	3.9977	R-124/124g	
		R-1122	
		R-21	
		R-133g	99.4966
		unk Hvy	0

LAB TECH: RSN DATE COMPLETED: 9/11/08

ANALYSIS TICKET

IN - PROCESS

Date 9/11/08 Time 22:30

Product R-133g Technician RDS

Batch #: _____ Equipment # Bottle "A"

Sample Location TT-10 Sample Type Scrubber

Analysis Needed: Ratio 5.4 HF 47.83%

Liquid

		945	1127
		Link Lights	0. 0.0000
R-134g	~10	R-1123/115	0
R-133g	23.7898	R-125/113	0
Link Lights	47.267	R-143g	0.0581
R-132b	49.2654	R-134g	0.3899
MOC ₂	0.0068	R-134/31	0
CCl ₄	0.0381	R-152g	
R-131g	11.8720	R-114	
TCE	3.0267	R-124/124g	
112-Tri	1.7008	R-1122	
Perc	0.1277	R-21	
Link Hugs	5.4460	R-133g	99.4075
(Organics 26.00%)		Link Hugs	0
HF	79.00%		

LAB TECH:

RSK

DATE COMPLETED:

9/11/08

ANALYSIS TICKET

IN - PROCESS

Date 9/11/08 Time 23:00

Product R-133g Technician RDS

Batch #: 1 hour Equipment # Bottle C

Sample Location TT-10 Sample Type Scrubber

Analysis Needed: Rat-o 14.8 HF 71.41%

<u>Liquid</u>			
<u>R-134g</u>	<u>0.0069</u>	<u>unk lights</u>	<u>0.0153</u>
<u>R-133g</u>	<u>28.573</u>	<u>2-1123/115</u>	<u>0</u>
<u>unk lights</u>	<u>4.9122</u>	<u>2-125/1113</u>	<u>1</u>
<u>R-132b</u>	<u>49.8483</u>	<u>R-143g</u>	<u>0.0721</u>
<u>mech</u>	<u>0.0096</u>	<u>R-134g</u>	<u>0.2280</u>
<u>CCl4</u>	<u>0.0337</u>	<u>R-134/31</u>	<u>0</u>
<u>R-131g</u>	<u>9.7109</u>	<u>2-152g/114</u>	<u>1</u>
<u>TCE</u>	<u>2.1969</u>	<u>R-124/124g</u>	<u>1</u>
<u>112-Tri</u>	<u>1.1730</u>	<u>R-1122g</u>	<u>0.0057</u>
<u>Perc</u>	<u>0.0804</u>	<u>R-21</u>	<u>0</u>
<u>unk Hys</u>	<u>3.4551</u>	<u>R-133g</u>	<u>99.6558</u>
		<u>TCE</u>	<u>0</u>
		<u>Heavies</u>	<u>0</u>

LAB TECH: RS14

DATE COMPLETED: 9/11/08

ANALYSIS TICKET

IN - PROCESS

Date 9/12/08 Time 0100Product R-133 Technician RDSBatch #: _____ Equipment # "Bottle" A"Sample Location TT-10 Sample Type ScrubberAnalysis Needed: Ratio 18.1 HF 75.33%

Liquid		GAS	
R-134a	0.0075	Unk Lights	0.0279
R-133a	28.8902	R-1123/115	0.0
Unk Lights	4.6089	R-125/1113	0
R-132b	48.0316	R-143a	0.0635
Merc	0.0073	R-134g	3.7908
CCl ₄	0.0307	R-134/31	0
R-131g	10.2821	R-152a/114	
TCE	2.5389	R-124/124g	
112-Tr	1.3461	R-1122/21	
Perc	0.0966	R-133g	96.1178
Unk H ₂ O	4.1601	Unk H ₂ O	0

LAB TECH:

RSH

DATE COMPLETED:

9/12/08

ANALYSIS TICKET

IN - PROCESS

Date 9/11/08 Time 23:00

Product R-133g Technician RDS

Batch #: 1 hour Equipment # Bottle "C"

Sample Location TT-10 Sample Type Scrubber

Analysis Needed: Rat-o 14.8 HF 71.41%

Liquid

<u>R-134g</u>	<u>0.0069</u>	<u>unk lights</u>	<u>0.0153</u>
<u>R-133g</u>	<u>28.573</u>	<u>2-1123/115</u>	<u>0</u>
<u>unk lights</u>	<u>4.9122</u>	<u>2-125/1113</u>	<u>1</u>
<u>R-132b</u>	<u>49.8483</u>	<u>R-143g</u>	<u>0.0721</u>
<u>mech</u>	<u>0.0096</u>	<u>2-134g</u>	<u>0.2280</u>
<u>CCl4</u>	<u>0.0337</u>	<u>R-134/31</u>	<u>0</u>
<u>R-131g</u>	<u>9.7109</u>	<u>2-152g/114</u>	<u>1</u>
<u>TCE</u>	<u>2.1969</u>	<u>R-124/124g</u>	<u>1</u>
<u>112-Tri</u>	<u>1.1730</u>	<u>R-1122g</u>	<u>0.0057</u>
<u>Perc</u>	<u>0.0804</u>	<u>R-21</u>	<u>0</u>
<u>unk Hys</u>	<u>3.4551</u>	<u>R-133g</u>	<u>99.6558</u>
		<u>TCE</u>	<u>0</u>
		<u>Heptics</u>	<u>0</u>

LAB TECH: RS14

DATE COMPLETED: 9/11/08

ANALYSIS TICKET

IN - PROCESS

Date 9/12/08 Time 0100

Product R-133 Technician RDS

Batch #: _____ Equipment # "Bottle" A"

Sample Location TT-10 Sample Type Scrubber

Analysis Needed: Ratio 18.1 HF 75.33%

<u>Liquid</u>		<u>Gas</u>	
<u>R-134a</u>	<u>0.0075</u>	<u>unk lights</u>	<u>0.0279</u>
<u>R-133a</u>	<u>28.8902</u>	<u>R-1123/115</u>	<u>0.0</u>
<u>unk lights</u>	<u>4.6089</u>	<u>R-125/1113</u>	<u>0</u>
<u>R-132b</u>	<u>48.0316</u>	<u>R-143a</u>	<u>0.0635</u>
<u>mecl</u>	<u>0.0073</u>	<u>R-134g</u>	<u>3.7908</u>
<u>CCl4</u>	<u>0.0307</u>	<u>R-134/31</u>	<u>0</u>
<u>R-131g</u>	<u>10.2821</u>	<u>R-152a/114</u>	<u>1</u>
<u>TCE</u>	<u>2.5389</u>	<u>R-124/124g</u>	<u>1</u>
<u>112-Tr:</u>	<u>1.3461</u>	<u>R-1122/21</u>	<u>1</u>
<u>Perc</u>	<u>0.0966</u>	<u>R-133g</u>	<u>96.1178</u>
<u>unk H₂O</u>	<u>4.1601</u>	<u>unk 1-H₂O, as</u>	<u>0</u>

LAB TECH:

RSH

DATE COMPLETED:

9/12/08

$$\begin{aligned} \text{Est Sp Gr} &= .4(1.30) + (.4)(1.35) \\ &\quad + .2(1.44) \\ &= 1.348 \end{aligned}$$

$$\begin{aligned} \therefore 16/\text{gal} &= 8.34 \times 1.348 \\ &= 11.242 \text{ lb/gal} \end{aligned}$$

$$\text{Amt} = 11,140 \text{ gal}$$

$$\begin{aligned} \text{Est lbs} &= 11,140 \times 11.242 \\ &= 125,239 \text{ lbs} \end{aligned}$$

Est Tot

$$\begin{aligned} \text{lbs TT-10} &= 125,239 + 130,895 \\ \& \text{ TT-11} &= 256,134 \text{ lbs} \end{aligned}$$

ANALYSIS TICKET

IN - PROCESS

Date 9/12/08 Time 0110

Product R-133g Technician RDS

Batch #: 5 min pump start Equipment # Bottle "B"

Sample Location TT-11 Sample Type scrubber

Analysis Needed: Ratio 0.2 HF 3.88%

Liquid		905	
R-134g	0.0175	Link Lights	0.0216
R-133g	36.7386	R-1123/115	0
Link Lights	2.4485	R-125/1113	0
R-132b	40.4158	R-143g	0.0570
MeCl ₂	0.0054	R-134g	0.1541
CCl ₄	0.0132	R-134/31	0
R-131g	4.4023	R-152g/114	↓
TCE	13.3654	R-124/124g	↓
112-Tri	0.7002	R-1122	0.0042
Perc	0.0520	R-21	0
Link Huys	1.8411	R-133g	99.7154
		H ₂ O	0

LAB TECH:

RSH

DATE COMPLETED:

9/12/08

ANALYSIS TICKET

IN - PROCESS

Date 9/12/08 Time 02:10

Product R-133g Technician RDS

Batch #: 30min Equipment # Bottle C

Sample Location TT-11 Sample Type Scrubber

Analysis Needed: Ratio 0.2 HF 3.31

<u>Liquid</u>		<u>Gas</u>	
<u>R-134g</u>	<u>0.0205</u>	<u>unk lights</u>	<u>0.0239</u>
<u>R-133g</u>	<u>39.1453</u>	<u>R-1123/115</u>	<u>0</u>
<u>unk lights</u>	<u>2.4753</u>	<u>R-125/115</u>	<u>0</u>
<u>R-132h</u>	<u>38.6212</u>	<u>R-143</u>	<u>0.0609</u>
<u>mech</u>	<u>0</u>	<u>R-134g</u>	<u>0.1613</u>
<u>CCl4</u>	<u>0.0122</u>	<u>R-134/21</u>	<u>0</u>
<u>R-131g</u>	<u>4.0080</u>	<u>R-152a/114</u>	<u>0</u>
<u>TCE</u>	<u>13.3804</u>	<u>R-124/124g</u>	<u>0</u>
<u>112-Tr.</u>	<u>0.6543</u>	<u>R-1122</u>	<u>0.3039</u>
<u>Perc</u>	<u>0.0482</u>	<u>R-21</u>	<u>0</u>
<u>unk Hvy</u>	<u>1.6846</u>	<u>R-133g</u>	<u>99.7090</u>
		<u>Hvys</u>	<u>0.0264</u>

LAB TECH:

RSH

DATE COMPLETED:

9/12/08

$$\begin{aligned} \text{Est Sp Gr} &= .4(1.30) + (.4)(1.35) \\ &\quad + .2(1.44) \\ &= 1.348 \end{aligned}$$

$$\begin{aligned} \therefore \text{lb/gal} &= 8.34 \times 1.348 \\ &= 11.242 \text{ lb/gal} \end{aligned}$$

$$\text{Amt} = 11,140 \text{ gal}$$

$$\begin{aligned} \text{Est lbs} &= 11,140 \times 11.242 \\ &= 125,239 \text{ lbs} \end{aligned}$$

Est Tot

$$\begin{aligned} \text{lbs TT-10} &= 125,239 + 130,895 \\ &+ \text{TT-11} = 256,134 \text{ lbs} \end{aligned}$$

ANALYSIS TICKET

IN - PROCESS

Date 9/12/08 Time 0110

Product R-133g Technician RDS

Batch #: 5 min pump start Equipment # Bottle "B"

Sample Location TT-11 Sample Type scrubber

Analysis Needed: Ratio 0.2 HF 3.88%

Liquid		905	
R-134g	0.0175	unk Lights	0.0216
R-133g	36.7386	R-1123/115	0
unk Lights	2.4485	R-125/1113	0
R-132b	40.4158	R-143g	0.0570
MeCl ₂	0.0054	R-134g	0.1541
CCl ₄	0.0132	R-134/31	0
R-131g	4.4023	R-152g/114	↓
TCE	13.3654	R-124/124g	↓
112-Tri	0.7002	R-1122	0.0042
PerC	0.0520	R-21	0
unk Hugs	1.8411	R-133g	99.7154
		H-panels	0

LAB TECH:

RSH

DATE COMPLETED:

9/12/08

ANALYSIS TICKET

IN - PROCESS

Date 9/12/08 Time 02:10

Product R-133g Technician RDS

Batch #: 30min Equipment # Bottle C

Sample Location TT-11 Sample Type Scrubber

Analysis Needed: Ratio 0.2 HF 3.31

<u>Liquid</u>		<u>GAS</u>	
<u>R-134g</u>	<u>0.0205</u>	<u>unk lights</u>	<u>0.0239</u>
<u>R-133g</u>	<u>39.1453</u>	<u>R-123/115</u>	<u>0</u>
<u>unk lights</u>	<u>2.4753</u>	<u>R-125/115</u>	<u>0</u>
<u>R-132h</u>	<u>38.6212</u>	<u>R-143</u>	<u>0.0609</u>
<u>mech</u>	<u>0</u>	<u>R-134g</u>	<u>0.1613</u>
<u>CCl4</u>	<u>0.0122</u>	<u>R-134/131</u>	<u>0</u>
<u>R-131g</u>	<u>4.0080</u>	<u>R-152g/114</u>	<u>0</u>
<u>TCE</u>	<u>13.3804</u>	<u>R-124/124g</u>	<u>0</u>
<u>112-Tr.</u>	<u>0.6543</u>	<u>R-1122</u>	<u>0.0039</u>
<u>Perc</u>	<u>0.0482</u>	<u>R-21</u>	<u>0</u>
<u>unk Hvy</u>	<u>1.6846</u>	<u>R-133g</u>	<u>99.7090</u>
		<u>Hvys</u>	<u>0.0264</u>

LAB TECH:

RSH

DATE COMPLETED:

9/12/08

ANALYSIS TICKET

IN - PROCESS

Date 9/12/08 Time 0300

Product R-1339 Technician RDS

Batch #: 1 hour Equipment # Bottle D

Sample Location TT-11 Sample Type Scrubber

Analysis Needed: Ratio 0.2 HF 3.87%

Liquid 945

R-134g 0.0183 unk lights 0.0291

R-133g 39.450 R-1123/115 0

unk lights 2.7038 R-125/1113 0

R-1326 37.9843 R-143g 0.0594

Meth 0 R-134g 0.1646

CCl4 0.0123 R-134/31 0

R-131g 3.9828 R-152g/114 0

TCE 13.3091 R-124/104g 0

112-Tri 0.6530 R-1122 0.0044

PERC 0.0494 R-71 0

unk Hvy 1.6420 R-133g 99.7142

Hvys 0.0282

LAB TECH:

PSH

DATE COMPLETED:

9/14/08

90.07% organics

9.97% HF

ANALYSIS TICKET

IN - PROCESS

Date 9/12/08 Time 0300

Product R-1339 Technician RDS

Batch #: 1 hour Equipment # Bottle D

Sample Location TT-11 Sample Type Scrubber

Analysis Needed: Ratio 0.2 HF 3.87%

Liquid

945

R-134g	0.0183	unk lights	0.0291
R-133g	39.450	R-1123/115	0
unk lights	2.7038	R-125/113	0
R-132h	37.9843	R-143g	0.0594
MeCl ₂	0	R-134g	0.1646
CCl ₄	0.0123	R-134/31	0
R-131g	3.9828	R-152g/114	0
TCE	13.3091	R-124/104g	0
112-Tri	0.6530	R-1122	0.0044
PERC	0.0494	R-71	0
unk Hvy	1.6420	R-133g	99.7142
		Hvys	0.0282

LAB TECH: PSH

DATE COMPLETED: 9/14/08

90.07% organics
9.97% HF

ANALYSIS TICKET

IN - PROCESS

Date 9/11/08 Time 22:00

Product R-133a Technician RDS

Batch #: _____ Equipment # Bottle "B"

Sample Location TT-10 Sample Type _____

Analysis Needed: Ratio ~~5.9 HF~~ 42.98%

Liquid		Gas	
R-134a	0.0095	R-1123	0
R-133a	29.0611	unk Lights	0.0309
unk Lights	4.4444	R-115	0
R-132b	48.5015	R-125/1113	0
MeCl ₂	0.0071	R-143	0.0877
CCl ₄	0.0197	R-134a	0.3849
R-131a	10.0643	R-134	0
TCE	2.4886	R-31	
112-Tri	1.3123	R-152a	
PercH	0.0943	R-114	
unk Hvy	3.9972	R-124/124a	
		R-1122	
		R-21	
		R-133a	99.4966
		unk Hvy	0

LAB TECH: RSN DATE COMPLETED: 9/11/08

$$\begin{aligned} \text{Est Sp Gr} &= .3(1.30) + .5(1.35) \\ &+ .2(1.44) \\ &= 1.353 \end{aligned}$$

$$\begin{aligned} \therefore 16/\text{gal} &= 1.353 \times 8.34 \\ &= 11.284 \end{aligned}$$

$$\text{Amt} = 11,600 \text{ gal}$$

$$\begin{aligned} \text{Est lbs} &= 11,600 \times 11.284 \\ &= 130,895 \text{ lbs} \end{aligned}$$

ANALYSIS TICKET

IN - PROCESS

Date 9/11/08 Time 22:30

Product R-133g Technician RDS

Batch #: _____ Equipment # Bottle "A"

Sample Location TT-10 Sample Type Scrubber

Analysis Needed: Ratio 5.4 HF 47.83%
Liquid

		945	1127
		hcl lights	0.0000
R-134g	N/D	R-1123/115	0
R-133g	23.7898	R-125/113	0
uvk lights	47.267	R-143g	0.0521
R-132b	49.2654	R-134g	0.3899
MOC ₂	0.0068	R-134/31	0
CCl ₄	0.0381	R-152g	
R-131g	11.8720	R-114	
TCE	3.0267	R-124/124g	
112-TRI	1.7008	R-1122	
Ppcc	0.1277	R-21	
Link Hugs	5.4460	R-133g	99.4075
Organics	26.00%	Link Hugs	0
HF	79.00%		
LAB TECH:	<u>RSK</u>	DATE COMPLETED:	<u>9/11/08</u>

Raw Material and Intermediates Still on Site at Norphlet Chemical
As of 9/25/08

Tank	Product	Gallons	Comment
TT-01	AHF	7805	This is anhydrous Hydrofluoric Acid. Should be sellable. It needs to be analyze.
TK-44	TCE	~4000	This is Trichloroethylene. It does have some rust in it that we should be able to filter out. It may have some moisture in it also. It needs to be analyze.
TT-10	HF,TCE,131,133&133	11600	This product was made in the process of trying to make 133a It is what you make 134a out of. It is ~ 50% HF
TT-11	HF,TCE,131,132,&133	11140	Same as TT-10 product but only has ~4% HF in it.
TT-30&31 <i>Disposed</i>	HCL/HF/H2o	24971	This product was also made during start up. It is 8.7% HCL and 1.3% HF with the rest being H2o
TT-38&39 <i>D. 3/1/09</i>	HCL/HF/H2o	27764	Same as 30 & 31 but has 12.35%HCL and 3.0% HF
TT-40&41 <i>Disposed</i>	HCL/HF/H2o	27764	Same as above With 9.64%HCL and 1.08% HF
			TT-30,31,38,39,40&41 can possible be blended with 35% HCL to make 15% HCL that is commonly done.
TT-13	Sodium Fluoride	~2000	This a mixture of 4500# Sodium Fluoride and 2000 gals. of HF
St-10,11&12 <i>Little Water</i>	12 8%caustic/H2o	~1500	These are three different scrubber tanks that we use to scrub with. These go out as waste.
ST-13 <i>Little Water</i>	HCL/ water ~10% HCL	500	This is the scrubber we use to scrub the HCL vapors with while loading or unloading a HCL car or truck.
Hot Oil System	Thermal 72	~1800	This is the oil we used in the Hot Oil system that was use for a heating element through out the plant.
Stored in warehouse	Activated Carbon	23 drums 9339#'s	Chromium Impregated Coconut Carbon Pellets

EX 30' RAD. STORAGE TANKS
EX 5' RAD. TANKS
EX PIPE RACK

SW 1/4, SE 1/4
27.01 ACRES

GRAVEL

MAIN OFFICE
EX OFFICE

EX BUILDING

Water TANK 514

Hot oil

Process PLANT
TK-44

EX CONTROL BUILDING

TK-45
TK-46
TK-47
TK-48
TK-49
TK-50
TK-51

HCL Storage

S 87° 52' 38" E

S 35° 12' 19" E
1,435.95'

EX BUILDING

TO EL DORADO

EX MON WELL

245.84'

S 199°

TOTAL

END
PER REC 21

380.57 FT
2408' W



Scale: 1" = 200'

LEGAL DESCRIPTION (AS PROVIDED BY NORPHLET CHEMICAL)

COMMENCING AT THE SW CORNER OF THE SW¼, SE¼ OF SECTION 21, T-16-S, R-15-W, BEING THE POINT OF BEGINNING; THENCE N 26°58'55" W 43.74 FEET ALONG A FENCE; THENCE N 13°43'47" W 38.76 FEET ALONG A FENCE; THENCE N 02°24'08" W 380.57 FEET ALONG A FENCE TO A FENCE CORNER; THENCE N 45°00'58" W 20.84 FEET ALONG THE FENCE TO A FENCE CORNER; THENCE N 83°54'57" W 119.62 FEET ALONG A FENCE TO A FENCE CORNER; THENCE N 03°58'52" E 366.40 FEET ALONG A FENCE; THENCE N 06°17'16" E 159.80 FEET ALONG A FENCE; THENCE N 63°53'57" W 269.45 FEET; THENCE N 24°15'28" E 487.73 FEET TO THE SOUTHERLY RIGHT-OF-WAY (100' R/W) OF THE MISSOURI PACIFIC RAILROAD; THENCE S 50°13'30" E 485.12 FEET ALONG SAID R/W; THENCE ALONG SAID R/W AROUND A CURVE TO THE RIGHT 1,452.53 FEET, SAID CURVE HAVING A RADIUS OF 2,770.44 FEET; THENCE S 20°11'15" E 1,559.56 FEET ALONG SAID R/W; THENCE LEAVING SAID R/W N 87°52'21" W 985.46 FEET ALONG A FENCE TO A FENCE CORNER; THENCE S 01°36'29" W 700.00 FEET ALONG A FENCE TO A FENCE CORNER; THENCE S 87°52'21" E 736.55 FEET ALONG A FENCE AND ITS EXTENSION TO THE EAST LINE OF THE SW¼, NE¼ OF SEC 28, T-16-S, R-15-W; THENCE S 00°38'41" W 591.51 FEET TO THE SE CORNER OF SAID SW¼, NE¼; THENCE N 89°00'04" W 1,319.85 FEET TO THE SW CORNER OF THE SAID FORTY; THENCE N 00°43'15" E 1,317.37 FEET TO THE NW CORNER OF THE SAID FORTY; THENCE N 00°43'15" E 1,317.37 FEET TO THE POINT OF BEGINNING, CONTAINING 94.83 ACRES, MORE OR LESS.

COR (Calc)

This Instrument Prepared By :
GARY D. McDONALD
 Attorney at Law
 100 West Grove, Suite 308
 El Dorado, Arkansas 71730

WARRANTY DEED

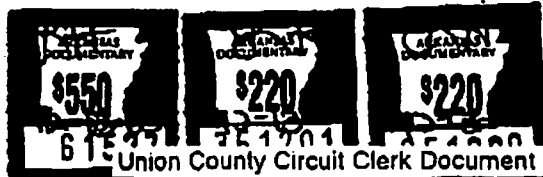
2005 14397
 Recorded in the Above
 Deed Book & Page
 12-13-2005 02:24:23 PM
 Cheryl Cochran-Wilson Circ Clerk
 Union County, AR
 Book/Pg: 2005/14397
 Term/Cashier: UCCC-E2 / LWINSON
 Tran: 1613.80351.95683
 Recorded: 12-13-2005 14:24:36
 DFE Deed
 REC Recording Fee

17.00
 0.00

KNOW ALL MEN BY THESE PRESENTS:

THAT **Norphlet Commercial Properties, LLC**, an Arkansas limited liability company, **GRANTOR**, by and through its Members, **Fred L. Bates and Vicki P. McDonald**, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by **Norphlet Chemical, Inc.**, **GRANTEE**, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell and convey unto the said **GRANTEE** and its successors and assigns forever, all its right, title and interest in and to the following lands lying in the County of Union, State of Arkansas, to-wit:

Commencing at the Southwest corner of the Southwest Quarter of the Southeast Quarter of Section 21, Township 16 South, Range 15 West, and thence North 26°58'55" West 43.74 feet along a fence; thence North 13°43'47" West 38.76 feet along a fence; thence North 02°24'08" West 380.57 feet along a fence to a fence corner; thence North 45°00'58" West 20.84 feet along the fence to a fence corner; thence North 83°54'57" West 119.62 feet along a fence to a fence corner; thence North 03°58'52" East 366.40 feet along a fence; thence North 06°17'16" East 159.80 feet along a fence; thence North 63°53'57" West 269.45 feet; thence North 24°15'28" East 487.73 feet to the Southerly right of way of the Missouri Pacific Railroad; thence South 50°13'30" East 485.12 feet along said right of way; thence along said right of way around a curve to the right, having a radius of 2770.44 feet and a length of 1452.53 feet; thence South 20°11'13" East 1559.56 feet along said right of way; thence leaving said right of way North 87°52'21" West 985.46 feet along a fence to a fence corner; thence South 01°36'29" West 700.00 feet along a fence to a fence corner; thence South 87°52'21" East 736.55 feet along a fence and its extension to the East line of the Southwest Quarter of the Northeast Quarter of Section 28, Township 16 South, Range 15 West; thence South 0°38'41" West 591.51 feet to the Southeast Corner of said Southwest Quarter of the Northeast Quarter; thence North 89°00'04" West 1319.85 feet to the Southwest corner of the said forty; thence North 0°43'15" East



2005 14398
Recorded in the Above
Deed Book & Page
12-13-2005 02:24:23 PM

1317.37 feet to the Northwest Corner of the said forty; thence North
0°43'15" East 1317.37 feet to the point of beginning.

LESS AND EXCEPT:

Beginning at the Southwest Corner of the Northeast Quarter of the
Northeast Quarter of Section 28, Township 16 South, Range 15 West,
Union County, Arkansas, and run North 01°30'00" East along the West
line of the said forty 710.36 feet to the West right-of-way line of the
Missouri Pacific Railroad; thence South 20°21'00" East along the said
right-of-way line 767.3 feet to the South line of said Northeast Quarter of
the Northeast Quarter; and, thence North 88°08'00" West along the said
South line 285.45 feet to the point of beginning.

This conveyance is subject to all prior mineral conveyances, reservations and
exceptions, to any valid rights-of-way of record and any protective covenants or
restrictions that may have been recorded in the records of Union County, Arkansas,
affecting the above described lands.

TO HAVE AND TO HOLD THE SAME unto the said GRANTEE and unto its
successors and assigns forever, with all appurtenances thereunto belonging.

Norphlet Commercial Properties, LLC, GRANTOR, hereby covenants with said
GRANTEE that it will forever warrant and defend the title to the said lands against all
claims whatsoever.

WITNESS OUR HANDS AND SEALS this 13th day of December, 2005.

Norphlet Commercial Properties, LLC

By:

Fred L. Bates
Fred L. Bates, Member

Vicki P. McDonald
Vicki P. McDonald, Member

2005 14399

Recorded in the Above

Deed Book & Page

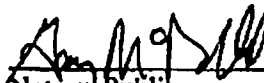
12-13-2005 02:24:23 PM

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
 COUNTY OF UNION)

BE IT REMEMBERED, that on this day came and appeared before me, the undersigned, a Notary Public in and for the County and State aforesaid, duly commissioned and acting, Fred L. Bates and Vicki P. McDonald, to me sufficiently identified as the Members of Norphlet Commercial Properties, LLC, the Grantor in the foregoing instrument, who stated that they had executed the same for the consideration and purposes therein mentioned and set forth.

WITNESS MY HAND AND SEAL as such Notary Public this 13th day of December, 2005.

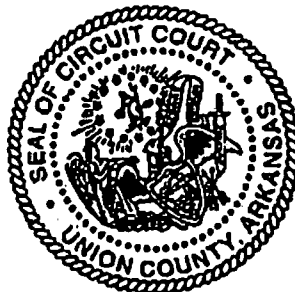

 Notary Public

My Commission Expires:

I CERTIFY UNDER PENALTY OF FALSE SWEARING
 THAT THE LEGALLY CORRECT AMOUNT OF
 DOCUMENTARY STAMPS HAS BEEN PLACED ON
 THIS INSTRUMENT.

Norphlet Chemical, Inc.
 GRANTEE or AGENT
P.O. Box 100
 GRANTEE'S ADDRESS
Norphlet AR 71759
 CITY AND STATE

2005 14400
Recorded in the Above
Deed Book & Page
12-13-2005 02:24:23 PM
Cheryl Cochran-Wilson Circ Clerk
Union County, AR



Union County, AR
I certify this instrument was filed on
12-13-2005 02:24:23 PM
and recorded in Deed Book
2005 at pages 14397 - 14400
Cheryl Cochran-Wilson Circ Clerk

By: *R. H. Wilson* OC

**United States Environmental Protection Agency
Region VI
POLLUTION REPORT**

Date: Thursday, April 16, 2009

From: Gary Moore, OSC

To: Sam Coleman, Superfund Division debbie dietrich, OEM
 ragan broyles, Superfund Division

Subject: Polrep 1
 Norphlet Chemical Company
 600 Macmillan Road, Norphlet, AR
 Latitude: 33.3093
 Longitude: -92.656

POLREP No.:	1	Site #:	
Reporting Period:	4/16-4/17/2009	D.O. #:	
Start Date:	4/16/2009	Response Authority:	CERCLA
Mob Date:		Response Type:	Emergency
Completion Date:		NPL Status:	
CERCLIS ID #:		Incident Category:	
RCRIS ID #:		Contract #	

Site Description

OSC Nancy Jones and START were dispatched to the Norphlet Chemical Company (NCC) located outside El Dorado, AR. It was reported (NCC) is storing hydrofluoric acid (HF, 7,800 gallons) in an unsafe manner that may lead to a HF release from the plant. The plant is located next to the Norphlet Elementary school. Union County Judge Bobby Edmonds declared an emergency 17 April 2009. Because of the emergency order and the close proximity of the to the plant, the school was closed.

START arrived on early morning(approx 12:01 AM, April 17) to begin perimeter air monitoring. Additionally, a START HF expert is in route to the scene (arrival 4/17 PM). Initially, EPA will collect data to determine if there is an air release and determine if the site poses an imminent and substantial threat to the community. EPA is coordinating closely with the local authorities, ADEQ, ADEM, and DHS.

NCC is a chemical manufacturing facility specializing in producing refrigerant (R134A) used in automobiles. It is reported the facility is in bankruptcy.

NCC is located at 600 MacMillian (State Hwy 335) at the former location of the Macmillan Oil Refinery Building.

Current Activities

On 16 April 2009, START-3 mobilized to the site and arrived on site at 1205 am on 17 April 2009. START-3 met with the Deputy Sheriff and entered the facility to determine the location of the tanks containing HF. START-3 observed that the school and several residences are located directly downwind from the facility. START-3 set up five air monitors with HF sensors: four

located downwind near the school and residences and one located on the START-3 vehicle. START-3 conducted air monitoring throughout the night and air monitoring readings were 0.0 ppm at all of the locations.

OSC Nancy Jones mobilized to the site at 0800 hours on 17 April 2009 and met with DHS, Union County Sheriff and Judge, and the City of Norphlet Mayor who is also a member of the Board of Directors with Norphlet Chemical on-site to discuss the current situation and develop future actions. After observing the condition of the flanges, valves, and gauges on the waste tanks and discussions with the parties on-site, it was determined that the manner in which the chemicals are stored at the facility pose an immediate and substantial threat to the surrounding community. EPA OSC Jones told the Mayor of Norphlet that she will give the company 5-7 days to remove the HF product from the facility. EPA contacted the ERRS contractor to begin planning for the removal of the HF/TCE waste mixture.

Planned Removal Actions

EPA is mobilizing ERRS contractor's high hazard materials handling team as a reactionary group in case of material release.

Next Steps

START-3 will continue to conduct air monitoring.

EPA will continue to coordinate with the RP and state and local officials to ensure that the tanks containing HF and HF waste mixture will be removed and disposed of properly.

Key Issues

The facility is located adjacent to an elementary school and several residences.

www.epaosc.net/NorphletChemicalCo

**United States Environmental Protection Agency
Region VI
POLLUTION REPORT**

Date: Saturday, April 18, 2009

From: Gary Moore, OSC

To: Sam Coleman, Superfund Division debbie dietrich, OEM
 ragan broyles, Superfund Division

Subject: Norphlet Chemical Company
 600 Macmillan Road, Norphlet, AR
 Latitude: 33.3093
 Longitude: -92.656

POLREP No.:	2	Site #:	
Reporting Period:		D.O. #:	
Start Date:	4/16/2009	Response Authority:	CERCLA
Mob Date:		Response Type:	Emergency
Completion Date:		NPL Status:	
CERCLIS ID #:		Incident Category:	
RCRIS ID #:		Contract #	

Site Description

Norphlet Chemical Company (NCC) is located outside El Dorado, AR at the former location of the Macmillan Oil Refinery. NCC is a chemical manufacturing facility specializing in producing refrigerant (R134A) used in automobiles. It was reported that NCC is storing hydrofluoric acid in an unsafe manner that may lead to a HF release from the plant. The plant is located next to the Norphlet Elementary and High school. Union County Judge Bobby Edmonds declared an emergency 17 April 2009 . Because of the emergency order and the close proximity of the to the plant, the school was closed.

EPA and START arrived on April 17 and began perimeter air monitoring. EPA is coordinating closely with the local authorities, ADEQ, ADEM, and DHS. EPA contacted the ERRS contractor to begin planning for the removal of the HF/TCE waste mixture.

Current Activities

On 18 April 2009, EPA continued to prepare to transfer material from the tanks. There are 5 tanks of concern that are being addressed in the EPA contingency plan and coordination with the local and state officials. However, only 3 tanks (Tank TT10,11, and 13) will be involved in the transfer:

- o Tank TT10 (13,800 gallon capacity) - 13,000 gallons of a liquid mixture; 75% HF and 25% freon
- o Tank TT11 (13,800 gallon capacity) - 11,000 gallons of a liquid mixture; 4% HF and 96% freon
- o Tank TT13 (11,550 gallon capacity) - 2,000 gallons of a HF and 4500 pounds of NaCl mixture
- o Tank TT02 (18,213 gallon capacity): TCE residual, may have trace amount of HF but this is unknown at this time
- o Tank TT01 (42,000 gallon capacity): 7,800 gallon of 98% HF

The ERRS contractor mobilized an IH to be an on-site safety officer, procured four 5,000-gallon tanker trucks in preparation for the HF/TCE mixture transfer, reviewed the tanks valves/piping and procured piping, valves, and supplies in preparation for the HF/TCE mixture transfer, and developed HF/TCE mixture transfer protocols and H&S procedures.

START mobilized an HF technical expert as well as sampling and monitoring equipment. START developed safety and contingency plans, and developed plume model scenarios in preparation for the material transfer.

EPA, START, and ERRS met with Judge Edmonds, county and city officials, and representatives from the sheriff and fire departments, to outline the proposed operations at the site.

Heavy thunderstorms moved through the area, postponing transfer activities until April 19.

Planned Removal Actions

EPA plans to begin transferring material from the unstable tank TT-11 into tanker trucks. This transfer is anticipated to begin approximately 1000. Weather conditions are predicted to be favorable, with no residents within a mile downwind of the tanks. START will be conducting air monitoring and sampling during the transfer process. The sheriff will be informing residents 2-3 miles downwind beginning at 0700 hours.

Next Steps

START-3 will continue to conduct air monitoring.

We are awaiting the delivery of additional specialized tanker trucks prior to initiating transfer of TT-10, TT-13. Additional arrangements are being made for the other tankage.

EPA will continue to coordinate with the RP and state and local officials to ensure that the tanks containing HF and HF waste mixture will be removed and disposed of properly.

Key Issues

The facility is located adjacent to a school and several residences.

www.epaosc.net/NorphletChemicalCo

**United States Environmental Protection Agency
Region VI
POLLUTION REPORT**

Date: Tuesday, April 21, 2009

From: Gary Moore, OSC

To: Sam Coleman, Superfund Division debbie dietrich, OEM
ragan broyles, Superfund Division

Subject: Continuation of Actions
Norphlet Chemical Company
600 Macmillan Road, Norphlet, AR
Latitude: 33.3093
Longitude: -92.656

POLREP No.:	3	Site #:	A6N8
Reporting Period:		D.O. #:	
Start Date:	4/16/2009	Response Authority:	CERCLA
Mob Date:	4/16/2009	Response Type:	Emergency
Completion Date:		NPL Status:	Non NPL
CERCLIS ID #:		Incident Category:	
RCRIS ID #:		Contract #	

Site Description

Norphlet Chemical Company (NCC) is located outside El Dorado, AR at the location of the former Macmillan Oil Refinery (a previous Non-NPL Removal Action). NCC is a chemical manufacturing facility in the business of producing a refrigerant (HFC-134A) used in automobiles. The primary raw materials used for producing this product is Anhydrous Hydrogen Fluoride, Trichloroethylene, and a catalyst. The company attempted to produce the intended product but was unable to do so. In September 2008, the company laid off all of its employees.

EPA became aware of this facility in March 2009 and immediately informed the ADEQ. EPA offered its assistance if deemed necessary by the ADEQ. On April 15, 2009, DHS conducted an Infrastructure Protection Inspection of the facility and was alarmed with its condition and the fact that it was abandoned. On April 15, 2009, DHS contacted EPA about their concerns with the site. The major concern was that the abandoned site had containers of Anhydrous Hydrogen Fluoride (AHF) and mixtures of AHF, TCE, and intermediate refrigerants. In addition, the condition of these containers were questionable. EPA and DHS contacted State authorities and participated in a call concerning the site. On April 16, EPA received a request from ADEQ to address the situation at the site.

EPA dispatched its START Contractors to begin air monitoring. EPA OSC Jones arrived on-site on Friday, April 17, 2009 and met with Federal, State, County, and City officials and evaluated the site. OSC Jones determined that an Imminent and Substantial Endangerment existed as a result of the abandonment of the facility, the conditions of the tankage, and the close proximity of the school and surrounding residents to the facility. On April 16, 2009, Union County Judge Bobby Edmonds declared an emergency. Because of the emergency order and the close proximity of the site to the school(s), the school was closed for Friday, April 17.

There are 5 tanks of immediate concern that will be addressed by the EPA. These tanks are as follows:

- o Tank TT10 (13,800 gallon capacity) - 13,000 gallons of a liquid mixture; 75% AHF and 25% TCE and intermediate refrigerants;
- o Tank TT11 (13,800 gallon capacity) - 11,000 gallons of a liquid mixture; 4% AHF and 96% TCE and intermediate refrigerants;
- o Tank TT13 (11,550 gallon capacity) - NaF (4500 pounds) and 2,000 gallons of a AHF;
- o Tank TT02 (18,213 gallon capacity): Approximately 2000 gallons of TCE;
- o Tank TT01 (42,000 gallon capacity): 7,800 gallon of 98% AHF

Current Activities

On April 19, 2009, EPA attempted to transfer material from the tanks into tanker trucks. In order to accomplish this, piping was removed from the tanks to allow the connection of a pump and hoses. The transfer operation failed due to pump problems, however, there were no injuries or significant releases of material.

EPA is in the process of obtaining bids for transportation and disposal. It was determined that high pressure intermodal containers was necessary for storage and transport of the AHF Mixture tanks (TT10 and 11) due to the organics within the tanks. Additionally, EPA is in the process of obtaining a pump with viton diaphragms and gaskets to handle the materials.

Planned Removal Actions

EPA anticipates beginning material transfers from the unstable tank TT-11 into high pressure intermodal containers when all equipment has been procured. This transfer is anticipated to begin as early as April 24 depending upon delivery of containers. The transfer will not take place during school hours. Weather conditions are predicted to be such that the town of Norphlet will be downwind of the tanks. START will be conducting air monitoring and sampling during the transfer process. EPA will meet with Local City and County Officials to determine if evacuations will be necessary.

Next Steps

On Wednesday, April 22, 2009, EPA and its contractors will be selecting a transportation and disposal company for the materials. EPA and its Contractors will be preparing transfer plans to satisfy the selected disposal company needs.

EPA will continue to conduct real time air monitoring and sampling activities as necessary until AHF and AHF mixtures are removed.

EPA and its contractors are awaiting the delivery of additional specialized high pressure intermodal containers prior to initiating transfer of TT-10, TT-11, and TT-13.

EPA is awaiting the receipt of railcar to transfer the AHF tank for shipment to a company named Sollei for reuse. Additionally, the EPA is awaiting word on acceptance of the TCE materials by Univar.

EPA will continue to coordinate with the State and Local Officials to ensure that the tanks containing AHF and AHF waste mixture will be removed and disposed of properly.

Key Issues

The facility is located adjacent to a K - 12 school, park, and residents.

This is a serious situation as the facility is abandoned and the company is defunct. Questions have arisen about how a facility of this nature could be allowed to be constructed directly next to a school.

The former plant manager, Vic Forte, is assisting EPA and its contractors in understanding the facility and its operations. It is EPA's understanding that Mr. Forte has been overseeing the facility at his own expense since it was abandoned in September 2008. This assistance has been very helpful to response operations.

www.epaosc.net/NorphletChemicalCo

From: Vic Forte [mailto:vrforte@norphletchem.com]
Sent: Wednesday, March 11, 2009 1:58 PM
To: Nevala, David
Subject: FW: TULSTAR Raw materials

David, just thought you might be interested in this. I came across this email on my computer today. This was an email that Evert sent to me after talking to Mark Nagle last sept.

Vic

From: Evert Talbot [mailto:etalbot@jones-hamilton.com]
Sent: Monday, September 29, 2008 6:29 PM
To: Robert James; Brian Brooks; David Henry; Vic Forte
Subject: TULSTAR Raw materials

Mark Nagle of Tulstar called late this afternoon and requested that Norphlet work with him on loading out the remaining Trichloroethylene and Hydrofluoric acid that was not processed during start up last December. His attorneys advised that this virgin material is indeed Tulstar's inventory.

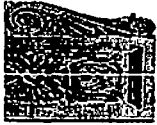
As you can imagine, he wants to pick up these two truckloads right away. I informed Mark that there was a pending board meeting for this coming Thursday and his request would probably be listed as an Agenda item.

He wants me to call him again tomorrow afternoon to reconfirm this request. I suspect that we should let him deal direct with David Henry in this regard.

Comments are solicited.

Evert

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Fw: TULSTAR Raw materials
James Turner to: Jamie Bradsher
Cc: Mark Peycke

04/23/2009 11:52 AM

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FYI

James L. Turner
Senior Attorney
Office of Regional Counsel (6RC-S)
U.S. EPA Region 6
1445 Ross Avenue, Ste. 1200
Dallas, Texas 75202-2733
E-Mail: Turner.James@epa.gov
Ph: (214) 665-3159
Fax: (214) 665-6460

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— Forwarded by James Turner/R6/USEPA/US on 04/23/2009 11:51 AM —



Fw: TULSTAR Raw materials

Gary Moore to: James Turner

04/23/2009 11:05 AM

FYI

Gary Moore
EPA Region 6
Response and Prevention Branch
214-665-6609
moore.gary@epa.gov

— Forwarded by Gary Moore/R6/USEPA/US on 04/23/2009 11:04 AM —



FW: TULSTAR Raw materials

Nevala, David to: Gary Moore

04/23/2009 10:30 AM

Gary:

Here is a copy of an e-mail that was sent to me recently documenting Tulstar's opinion of ownership of the HF and TCE. The original e-mail was sent last September.

FRIDAY

FRIDAY ELDREDGE & CLARK

ATTORNEYS AT LAW

A LIMITED LIABILITY PARTNERSHIP

www.fridayfirm.com

400 West Capitol, Suite 2000

Little Rock, AR 72201-3522

Telephone: 501-376-2011

Fax: 501-376-2147

David Choate

Phone: 501-370-3329

Direct Fax: 501-376-2147

E-Mail: dchoate@fec.net

MEMORANDUM

TO: Mr. David Nevala
Mr. Brian Scoggins
Arkansas Economic Development Commission

FROM: David Choate

DATE: February 3, 2009

RE: Norphlet Chemical, Inc. – Discussion in Response to Questions Posed by the
Arkansas Economic Development Commission

The purpose of this memo is to provide discussion and analysis in response to the list of questions provided to me by Mr. David Nevala of the Arkansas Economic Development Commission. The discussion and analysis are based on the facts as I understand them to be and based on the documents related to Norphlet Chemical, Inc. which have been provided to me for review. This memo is not intended to be an exhaustive review of all potential state, federal, and/or local environmental laws which could affect this situation. Rather it is a response to the specific questions posed, incorporating discussion of the federal Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") as CERCLA may apply to the facts of this situation.

This memo is organized by question, with each numbered AEDC question appearing in bold below, followed by discussion and analysis. After reviewing this memo, if you have any questions or comments, please feel free to contact me anytime.

1. Review the Tulstar contract and determine if the product they sent to Norphlet Chemical that is still in a pure state is theirs. If it is not, as they stated to me, do they have any other environmental liability because they owned the raw materials that were sent to Norphlet Chemical. Norphlet Chemical was in a tolling arrangement with Tulstar.

Based on the language of the Agreement between Norphlet Chemical ("Norphlet") and Tulstar, it appears that Tulstar intended to retain, and likely did retain, ownership in the raw materials that it supplied to Norphlet. The Agreement does not specifically state that Tulstar owns and will continue to own the raw materials; however, the specific responsibilities and limitations placed on Norphlet with respect to the raw materials indicate Tulstar's ownership interest. First, the Agreement explicitly states that Tulstar will pay Norphlet a tolling fee "for production" of HFC-134a "that is tolled for Tulstar." (See, Sections 1A and 1B of the Agreement). In other words, Tulstar agrees to pay Norphlet not for materials but rather for the service of producing the HFC-134a, using the raw materials that Tulstar provides. Second, the Agreement requires Norphlet to indemnify Tulstar for "any loss" related to the raw materials after Norphlet takes possession. Third, the Agreement states that if Norphlet fails to produce HFC-134a in certain quantities and of a certain quality, Norphlet must pay Tulstar for all costs and expenses associated with the raw materials. Fourth, the Agreement requires Norphlet to pay Tulstar for the cost of any raw materials that are used to make HFC-134a that are not purchased by Tulstar. (See, Section 1B of the Agreement).

In summary, the Agreement essentially grants Norphlet possession of the raw materials free of charge on the condition that Norphlet returns the raw materials to Tulstar in the form of a manufactured and finished product. In the event that Norphlet fails to so return the raw materials, Norphlet must pay Tulstar for the cost of all raw materials not returned. Under no part of the Agreement is Norphlet granted any traditional rights of ownership in the raw materials. Norphlet did not have freedom to do with the raw materials as it wished; rather it was required to use them to manufacture a specific product to be provided to a specific entity. Failure to do so would result in Norphlet's having to pay Tulstar for the cost of the raw materials. Further, while Norphlet was given the right to sell finished product that Tulstar opted not to buy, it was only allowed to sell to two specified buyers, and the Agreement still required Norphlet to pay Tulstar for the cost of the raw materials.

These limitations and requirements of the Agreement indicate that Tulstar intended to retain and likely did retain ownership of the raw materials delivered to Norphlet. Meanwhile Eighth Circuit Court of Appeals decisions indicate that Tulstar would likely be considered a responsible party under environmental laws in the event of a release or threatened release of hazardous materials from the Norphlet facility.

Court holdings indicate that, in the event of a release or threatened release of hazardous substances from Norphlet, Tulstar would potentially be liable under the federal Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). Under CERCLA, the four categories of persons who are legally responsible for the cleanup of hazardous substances at a given facility are: (1) those who own and operate the facility at the time a release or threatened release exists; (2) those who owned or operated the facility at any time when hazardous substances were disposed of at the facility; (3) those who arrange for disposal or treatment, or arranged for transport for disposal or treatment, of hazardous substances which they owned or possessed; and (4) those who transport hazardous substances to the facility. (See: 42 U.S.C.S. § 9607(a), and *United States v. TIG Inc. Corp.*, 68 F.3d 1082 (8th Cir. Iowa 1995)). Clearly under CERCLA those who are owners and/or operators of a facility would be potentially responsible

parties; however, those who arrange for disposal or treatment of hazardous substances are also potentially liable. Courts have indicated that this category of arranger liability can include those who supply raw materials to a facility for manufacturing/finishing under a tolling agreement.

In *United States v. Aceto Agric. Chems. Corp.*, the Court of Appeals for the Eighth Circuit considered a situation very similar to the current arrangement between Norphlet and Tulstar. (See, *United States v. Aceto Agric. Chems. Corp.*, 872 F.2d 1373, 1377 (8th Cir. Iowa 1989)). In *Aceto*, several companies contracted with a group called Aidex under which Aidex would formulate the companies' technical grade pesticides into a commercial grade product. As the formulator, Aidex would convert the companies' active ingredients to a commercial grade product which would then be shipped back to the companies or shipped directly to customers of the companies. (See, *Id.*). Aidex the formulator eventually went bankrupt, and a release of hazardous substances was discovered at the Aidex facility. The Environmental Protection Agency ("EPA") responded to the release and under CERCLA sought to recover its response costs from the companies who sent the materials to Aidex, claiming that the companies arranged for disposal of the hazardous substances. (See, *Id.*). The Court considered the facts and held that the companies could be liable as arrangers under CERCLA because: (1) there was no transfer of ownership of the hazardous substances (the companies retained ownership of the substances throughout the process); (2) the formulator was performing a process on products owned by the companies and at the companies discretion; and (3) hazardous waste is generated and disposed of contemporaneously with the formulation process. (See, *Id.*).

The factual similarities between the *Aceto* case and the current situation with Norphlet chemical are clear, and the Court's holding establishes a potential for Tulstar's liability as an arranger, should a release occur from Norphlet. Apparently Tulstar has asserted to Norphlet that Tulstar would not be liable in the case of a release. Most courts, however, have held that CERCLA imposes strict liability and joint and several liability among the potentially responsible parties. (See, *United States v. Aceto Agric. Chems. Corp.*, 872 F.2d 1373, 1377 (8th Cir. Iowa 1989)). Tulstar might argue that it is not liable because it had no control over the raw materials once they were in Norphlet's possession; however, control is not a necessary factor in every case of arranger liability under CERCLA. (See, *United States v. Hercules, Inc.*, 247 F.3d 706 (8th Cir. Ark. 2001)). Evidence of actual control is not necessary for arranger liability if ownership issues are otherwise established. (See, *United States v. Vertac Chem. Corp.*, 966 F. Supp. 1491 (E.D. Ark. 1997)). Further, liability does not require that Tulstar specifically intended to arrange for disposal of hazardous substances; the fact of arrangement is enough. (See, *United States v. Vertac Chem. Corp.*, 966 F. Supp. 1491 (E.D. Ark. 1997)).

Given the broad reach of CERCLA to impose liability on those who arranged for disposal of hazardous substances, along with the Court's holding and its analysis in the *Aceto* case, it is likely that Tulstar would be liable for response costs associated with any release or threatened release from Norphlet.

**HALL
ESTILL**
ATTORNEYS AT LAW

Robert F. Dougherty
320 South Boston Avenue, Suite 200
Tulsa, OK 74103-3703
Direct Dial: (918) 594-0412
Facsimile: (918) 594-0505
rdougherty@hallestill.com

February 27, 2009

VIA E-MAIL

Elena Forsyth
Tulstar Refrigerants, Inc.
5510 South Lewis Avenue
Tulsa, OK 74105

Re: Norphlet Chemical, Inc.

Dear Elena:

As requested, I have reviewed the memorandum dated February 3, 2009 written by David Choate, an attorney with the Friday, Eldredge & Clark law firm in Little Rock to David Nevala, Brian Scoggins and the Arkansas Economic Development Commission (the "Memo"). The Memo discusses responsibility for raw materials and hazardous materials at the plant owned and operated by Norphlet Chemicals, Inc. ("Norphlet") in Norphlet, Arkansas.

The Memo concludes that "[g]iven the broad reach of CERCLA to impose liability on those who arranged for disposal of hazardous substances, along with the Court's holding and its analysis in the *Aceto* case, it is likely that Tulstar would be liable for response costs associated with any release or threatened release from Norphlet." The word "release" refers to a release of hazardous substances. I strongly disagree with this conclusion for the reasons stated below.

Pursuant to the "Agreement" dated February 24, 2005 (the "Agreement") entered into between Norphlet and Tulstar Refrigerants, Inc. ("Tulstar"), Tulstar agreed to purchase HFC-134a and to supply Norphlet with the raw materials required to manufacture HFC-134a (i.e. HF and TCE). In conjunction with the parties' entry into the Agreement, Norphlet represented itself as having the expertise and capability of producing HFC-134a. As you have indicated, the manufacturing process for HFC-134a involves the input of the two types of raw materials, HF and TCE, and if performed correctly, produces HFC-134a and one usable and valuable by-product, HCL. The Jones-Hamilton Company had contractually agreed to purchase the HCL from Norphlet and to handle this product. Thus, as a result, had the manufacturing process been properly and correctly carried out, all of the materials produced would have been marketable and in fact, sold pursuant to agreements in place, and thus, there would be no hazardous waste to dispose of. You have also indicated that a large percentage of the raw materials were negligently mishandled and/or improperly processed by Norphlet, resulting in an unusable "soup" instead of HFC-134a and HCL. Finally, Tulstar has been advised that unused quantities of the raw material, HF, which remain at Norphlet's facility are damaged and no longer in their pure state. Due to the apparent negligence, mishandling and/or inappropriate storage by Norphlet, the water

content has increased from less than one hundredth of a percent (.01%) upon delivery to Norphlet to more than three percent (3%) today, which affects the marketability and usability of the HF, and creates very significant obstacles in obtaining transportation of the material.

In support of its conclusion, the Memo cites the case of *United States v. Aceto Agric. Chems Corp.*, 872 F.2d 1373 (8th Cir. 1989) and a couple of other decisions which essentially cite and apply the *Aceto* court's rationale. The *Aceto* case did find that a supplier of raw materials pursuant to a tolling arrangement with a manufacturer/formulator could be potentially liable for releases of hazardous substances by the manufacturer/formulator under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). That act imposes liability for a release or threatened release of hazardous substances upon any person who "arranged for disposal or treatment of hazardous substances owned or possessed by such person . . . at any facility . . . owned or operated by another party." 42 U.S.C. § 9607(a)(3).

The Memo asserts that the factual similarities between the situation in the *Aceto* case and the current situation are clear. However, the Memo conveniently overlooks a critical distinction. The *Aceto* decision was based upon the plaintiffs' allegations "that because the generation of pesticide-containing wastes is inherent in the pesticide formulation process, [the formulator] could not formulate defendants' pesticides without wasting and disposing of some portion of them" and that "defendants could not have hired [the formulator] to formulate their pesticides without also 'arranging for' the disposal of the waste." *Aceto*, at 1379 and 1381. The court's ruling was based on the facts, among others, that there was no transfer of ownership of the hazardous substances at issue (which is another distinction to the current situation as discussed below) and that hazardous waste is necessarily generated and disposed of contemporaneously with the formulation process for producing the pesticides at issue. *Id.* Other cases cited in the Memo support this conclusion because they cite the *Aceto* decision in holding that suppliers to a formulator used to create a final product can be held liable as arrangers under 42 U.S.C. §9607(a)(3) where (1) the supplier retains an ownership interest in the materials throughout the formulation process as well as the finished product, (2) the generation of hazardous wastes was inherent in the formulation process, and (3) wastes were in fact generated and disposed. *U.S. v. Hercules, Inc.*, 247 F.3d 706, 720 (8th Cir. 2001); *U.S. v. Vertac Chemical Corp.*, 966 F. Supp. 1491, 1501 (E.D. Ark. 1997).

With regard to Norphlet's situation, the generation of hazardous wastes was not inherent in the formulation process. In fact, had Norphlet properly performed its obligations under the Agreement and produced HFC-134a and HCL as promised, no hazardous wastes would have been produced. This fact clearly distinguishes the Norphlet-Tulstar facts from the facts in the *Aceto* case, and exposes a fatal flaw in the Memo's analysis and conclusion.

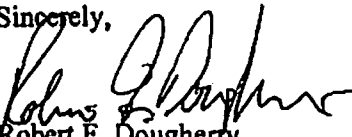
The Memo also asserts that Tulstar "likely did retain ownership of the raw materials delivered to Norphlet." However, the Memo correctly cites Section 1.B of the Agreement which provides that "Norphlet agrees to pay to Tulstar all costs and expenses related to such raw materials if Norphlet fails to manufacture HFC-134a in sufficient marketable quantity or quality as set forth herein." Obviously, Norphlet has failed to manufacture HFC-134a in accordance with the terms of the Agreement. The plain intent of Section 1.B is that title to the raw materials

Elena Forsyth
February 27, 2009
Page 3

was to transfer to Norphlet upon its failure to produce HFC-134a pursuant to the Agreement. Such failure has occurred and thus, title has transferred and Norphlet now has a payment obligation to Tulstar therefor. Tulstar has previously demanded payment for the raw materials from Norphlet in the amount of \$270,000, which was the amount of its costs related to the raw materials.

Based on the foregoing assumed facts and legal analysis, Tulstar should not be subject to liability under CERCLA for any release or threatened release of hazardous substances from Norphlet's facility, and the Memo's conclusion to the contrary is incorrect.

Sincerely,



Robert F. Dougherty

RFD:

963099.3:812845:00700

**NORPHLET CHEMICAL SUPERFUND SITE
Enclosure C**

LIST OF POTENTIALLY RESPONSIBLE PARTIES

For your information General Notice Letters are being mailed to the following entities:

Owner/Operator

Mr. John L. Garrison, President
Norphlet Chemical, Inc.
600 Macmillian Drive
Norphlet, Arkansas 71759

Arranger

Mr. W. Mark Nagle
Tulstar Products, Inc.
a/k/a Tulstar Refrigerants LLC, and
Tulstar Refrigerants, Inc.
5510 S. Lewis Avenue
Tulsa, OK 74105